

ADMINISTRATIVE EXEMPTION, TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT, and ORDINANCE FIRST CONSIDERATION relative to new Port of Los Angeles (POLA) incentive programs to incentivize Container Terminal Operators to decrease truck turn times at their marine terminal.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the determination by the Board of Harbor Commissioners (BOHC) that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 1 and Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE POLA Resolution No. 21-9752 authorizing Permanent Order No. 217288, approving Permanent Order to amend POLA Tariff No. 4 establishing a Truck Turn-Time and Dual Transaction Incentive Program for Container Terminal Operators.
3. PRESENT and ADOPT the accompanying ORDINANCE dated January 25, 2021, amending POLA Tariff No. 4, Section Twenty-Three, Item No. 2345 "Definitions Truck Turn-Time Incentive," Item No. 2346 "Truck Turn-Time Incentive Program," Item No. 2350 "Definitions Dual Transaction Incentive," and Item No. 2351 "Dual Transaction Incentive."

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The adoption of Permanent Order No. 21-7288 and the corresponding Ordinance is anticipated to result in \$7.5 million in incentive payouts from POLA during the first year of implementation, with \$3.8 million due in 2020-21. POLA has requested a transfer of \$3.8 million from the Harbor Revenue Fund Unappropriated Balance for these costs in 2020-21. An additional \$250,000 required for software upgrades will be requested under separate cover. Future funding will be subject to POLA's annual budget adoption process. Payouts for the incentive programs are the responsibility of POLA and the Harbor Revenue Fund.

Community Impact Statement: None submitted.

SUMMARY

Accompanying a report to Council dated January 25, 2021, the City Attorney presents Ordinance amending POLA Tariff No. 4, Section Twenty-Three, Item No. 2345 "Definitions Truck Turn-Time Incentive," Item No. 2346 "Truck Turn-Time Incentive

Program," Item No. 2350 "Definitions Dual Transaction Incentive," and Item No. 2351 "Dual Transaction Incentive." According to the City Attorney, POLA's proposed incentive programs will incentivize Container Terminal Operators to decrease truck turn times at their marine terminal and achieve a minimum of 50 percent dual transactions allowing for increased terminal and truck gate operations thus increasing POLA's competitive position. The incentives would be paid on trucked Twenty-foot Equivalent Units moved through the Container Terminal Operators in gate and/or out gate during a given month. Current projections estimate potential yearly payouts of approximately \$7.5 Million.

The City Attorney goes on to report that any payouts under these incentive programs would be the financial responsibility of POLA. Other changes include requiring additional data elements to POLA via electronic data interchange or other technology that are necessary to administer the incentive programs.

On January 14, 2021, BOHC approved POLA's request for the proposed incentive programs. In a report to the Mayor dated February 18, 2021, the CAO also recommends approval of the incentive programs proposed by POLA.

At its meeting held March 23, 2021, the Trade, Travel, and Tourism Committee recommended that Council approve the incentive programs, the accompanying Ordinance, and the related environmental finding, as recommended by BOHC and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	ABSENT
LEE:	YES

jaw